

**MINUTES OF THE
RETIREMENT AND INDEPENDENT ENTITIES
APPROPRIATIONS SUBCOMMITTEE**

Room 450, State Capitol
February 1, 2012

MEMBERS PRESENT: Sen. Todd Weiler, Co-Chair
 Rep. Don Ipson, Chair
 Rep. Gage Froerer, Vice Chair
 Sen. Curtis S. Bramble
 Sen. Karen Mayne
 Sen. Stuart C. Reid
 Sen. Daniel Thatcher
 Rep. Bradley M. Daw
 Rep. Lynn N. Hemingway
 Rep. Bradley G. Last
 Rep. Merlynn T. Newbold
 Rep. Mark A. Wheatley

MEMBERS ABSENT: Sen. Luz Robles
 Rep. Susan Duckworth
 Rep. Wayne A. Harper

STAFF PRESENT: Mr. Mark Bleazard, Fiscal Analyst
 Mr. Benjamin Christensen, Policy Analyst
 Ms. Jennifer Eyring, Committee Secretary

Note: A list of visitors and copy of handouts are filed with committee minutes.

Chair Ipson called the meeting to order at 7:44 a.m.

Mr. Mark Bleazard, Fiscal Analyst, gave an overview of the Budget Briefs for the Department of Human Resource Management and the Career Service Review Office.

Department of Human Resource Management (DHRM)

The Department of Human Resource Management is the central human resource office for the state's workforce. They are responsible for recruitment, training, classification, and compensation systems. They develop, implement, and administer the statewide program. The FY 2013 base budget is \$3,283,500. Of this amount, \$2,883,500 is from the General Fund and \$400,000 is from Dedicated Credits. He noted that the brief should show 16 FTE instead of 25.

Department of Human Resource Management Internal Service Fund (DHRM - ISF)

The Internal Service Fund was established in 2006 and employs business practices to provide services to state and governmental agencies, particularly large functions that can be centrally administrated. The FY 2013 base budget is \$11,074,200 with 139.1 FTE, and authorized capital outlay of \$500,000. The brief also outlines fees of \$544.00 for Field Services, \$75.00 for Payroll Services and \$450,000.00 for AG Legal Fees. Fees are collected from agencies which

allows the Office of the Attorney General to represent the agencies.

Career Service Review Office (CSRO)

The Career Service Review Office administers the state's grievance and appeals process and is a quasi-judicial body that hears final administrative appeals. Mr. Bleazard noted that they provide a great service to the state with a staff of two. The FY 2013 base budget is \$227,500. They are also requesting \$15,000 from the General Fund to hire additional contract hearing officers.

DHRM

Jeff Herring, Executive Director, DHRM, provided a handout to the committee that illustrated Department efficiencies. He noted that they had reduced 4.5 FTE through attrition. He also stated that the non-lapsing funds for Statewide Management Liability Training and Data Processing Fees were important and used to manage funding for statewide training. The Governor's budget contains a one-time request of \$100,000 to be used as seed money for operational excellence. This would provide for agencies statewide to examine their processes and look for ways to improve. The DHRM handout shows Executive Branch employees served and compensation rate increases per DHRM employee, illustrating improvement in efficiency. It also showed a customer satisfaction rate of 98 percent.

In response to committee questions, Mr. Herring clarified that Field Services fees are paid to DHRM by the agencies served. He also explained that the ratio of employees served is well above the HR profession's national average. This has been possible because of statewide consolidation and a focus on customer service, efficiency, and an increased capacity of managers to manage.

MOTION: Rep. Newbold moved to approve the DHRM Operation base budget of \$3,283,500, the DHRM-ISF base budget of \$11,074,200, capital outlay of \$500,000, fees, and FTE level at 139.1, and the CSRO base budget of \$227,500.

Sen. Weiler noted that the General Fund appropriation is the same as FY 2012 and changes will be discussed in subsequent bills. One addition that will be debated is the requested \$15,000 to the CSRO budget for contract hearing officers.

The motion passed unanimously.

MOTION: Sen. Weiler moved to adjourn. The motion passed unanimously.

Rep. Ipson adjourned the meeting at 7:59 a.m.

Retirement and Independent Entities Appropriations Subcommittee

February 1, 2012

Page 3

Sen. Todd Weiler, Chair

Rep. Don L. Ipson, Chair